

## ABSTRACT

The background of this study is phenomena that the fulfillment of employees' needs at structural levels from the supervisors and the managers does not necessarily improve their performance and commitment. This study aims to describe existing condition related to the fulfillment of employees' needs and to find the answer why the employees' commitment decreases during remuneration/salary improvement by the company.

This study applied qualitative method. The data were collected through in-depth interview, participant observation, and documentation (i.e. audio recording on the company natural setting).

This study finds that remuneration provided by the company does satisfy the employees' material needs. This condition causes the decreasing of commitment and performance, especially at the levels of supervisors and managers. This condition indicates that instead of improving the commitment and performance of the employees (as expected), remuneration/salary improvement has turned out triggered the decreasing of performance and commitment of the employees. The decreasing of performance and commitment are the effects of low social esteem accommodation and poor fulfillment of employees' non-material needs caused by several factors, such as: a) unjust (one-sided) policies made by the company; b) unclear policies made by the company and violations on accustomed policies concerning rewards, retirement (pension) funds, career structure; c) the employees do not have any chance to express their opinion; and d) poor appreciation on performance improvement made by the employees. Due to these factors, the company fails to develop its Human Resources.

Based on these findings, this study rejects the theory (perspective) stating the importance of remuneration (material fulfillment) improves performance and commitment of the employees.

**Keywords:** *Decreasing Commitment, Maslow's Theory of Needs, Maspion Group*